-00457R00290031000842/ Approved For Release 2001 25X1A

CENTRAL INTELLIGENCE AGENCY

REPORT NO. INFORMATION REPORT

CD NO.

COUNTRY Austria/USCR

DATE DISTR.

28 June 1949

SUBJECT Reductions in USIA Personnel and Stocks; Acceleration in USIA Exports to USER 25X1A

NO. OF PAGES

RETURN CORN DESTROY

NO. OF ENCLS.

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SUPPLEMENT TO REPORT NO.

- USIA is now carrying out a systematic reduction in the staff of the German 25X1X Property Department. A number of Department employees, primarily Communist Party members, are being trained in system accounting to qualify for positions with Soviet-controlled firms when the occupation forces are withdrawn. Heanwhile these employees are assigned jobs in the central offices of USIA industrial administrations.
- Avtovelo, A/O Kabel, A/O Kraska and other USIA departments are now disposing 2. of all stocks of raw naterials and partly namufactured goods which are not allocated for current production quotas.
- On 15 June 1949, an engineer at Siemens-Schuckert Engerthstrasse stated that the plant has accelerated the production of goods for export to the USSR.

 The Soviet director allegedly ordered that all export items be made ready for shipment to the USSR as soon as possible. There are no indications that production is being curtailed; the purchase of raw materials continues as usual.* "Fischerei" and "Chemie" projects for the manufacture of D.C. and A.C. motors are to be expanded and to continue for three years, **

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reported that the Siemens Siemensstrasse plant was scheduling work on a month to month basis, and that the Soviet directors of the Engerthstrasse and Siemensstrasse plants refused to accept machine tools ordered from the Skoda works and Eastern Germany because of a shortage of funds.

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These projects for priority manufacture and delivery of motors to the USSR were previously reported in 25X1A

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> This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the

Approved For Release 2001/03/22 : CIA-RDP82-00457-R0029000+0008-2

Next Review Date: 2008